



General Assembly

January Session, 2009

Raised Bill No. 6561

LCO No. 4015

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Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

AN ACT CONCERNING MUNICIPAL REVENUE DIVERSIFICATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2009*) (a) As used in this section,
2 "municipality" means any town, city, borough, consolidated town and
3 city or consolidated town and borough, and "hotel" and "lodging
4 house" have the same meanings as provided in section 12-407 of the
5 general statutes.

6 (b) Any municipality may, upon approval by its legislative body, or,
7 in any town in which the legislative body is a town meeting, by the
8 board of selectmen, establish by ordinance any of the following taxes:
9 (1) A sales tax of not more than one per cent; (2) a tax on meals and
10 alcoholic beverages of not more than one per cent; or (3) a tax upon the
11 transfer of occupancy of any room or rooms in a hotel or lodging
12 house of not more than four per cent of the total amount of rent for
13 each such occupancy.

14 (c) Any municipal tax imposed pursuant to this section shall be in
15 addition to any state tax imposed on the same activity.

16 (d) (1) Any tax imposed by a municipality under the provisions of
17 this section shall be collected and administered by the Department of
18 Revenue Services, in the same manner as such taxes are currently paid,
19 and in accordance with the laws governing such taxes. The department
20 shall segregate the amount paid that is attributable to any municipal
21 tax and, commencing on the first day of the calendar quarter next
22 succeeding the institution of such municipal tax, remit to the
23 municipality such amount. Thereafter, the department shall remit
24 quarterly to the municipality any amounts received attributable to a
25 municipal tax.

26 (2) For the fiscal years ending June 30, 2010, and June 30, 2011, the
27 department may deduct from the amounts received attributable to
28 municipal taxes any costs directly associated with the administration
29 and collection of such taxes by the department.

30 (e) A municipality may use the revenue generated by any tax
31 enacted under the provisions of this section for the general fund of the
32 municipality, capital expenditures, or any regular or special purpose as
33 provided in the budget enacted each year by the municipality.

34 Sec. 2. Subdivision (2) of subsection (c) of section 7-148 of the
35 general statutes is repealed and the following is substituted in lieu
36 thereof (*Effective July 1, 2009*):

37 (2) (A) Establish and maintain a budget system;

38 (B) (i) Assess, levy and collect taxes for general or special purposes
39 on all property, subjects or objects which may be lawfully taxed, and
40 regulate the mode of assessment and collection of taxes and
41 assessments not otherwise provided for, including establishment of a
42 procedure for the withholding of approval of building application
43 when taxes or water or sewer rates, charges or assessments imposed
44 by the municipality are delinquent for the property for which an
45 application was made;

46 (ii) Assess, levy and collect for general or special purposes any taxes
47 permitted pursuant to section 1 of this act;

48 (C) Make appropriations for the support of the municipality and
49 pay its debts;

50 (D) Make appropriations for the purpose of meeting a public
51 emergency threatening the lives, health or property of citizens,
52 provided such appropriations shall require a favorable vote of at least
53 two-thirds of the entire membership of the legislative body or, when
54 the legislative body is the town meeting, at least two-thirds of those
55 present and voting;

56 (E) Make appropriations to military organizations, hospitals, health
57 care facilities, public health nursing organizations, nonprofit museums
58 and libraries, organizations providing drug abuse and dependency
59 programs and any other private organization performing a public
60 function;

61 (F) Provide for the manner in which contracts involving unusual
62 expenditures shall be made;

63 (G) When not specifically prescribed by general statute or by
64 charter, prescribe the form of proceedings and mode of assessing
65 benefits and appraising damages in taking land for public use, or in
66 making public improvements to be paid for, in whole or in part, by
67 special assessments, and prescribe the manner in which all benefits
68 assessed shall be collected;

69 (H) Provide for the bonding of municipal officials or employees by
70 requiring the furnishing of such bond, conditioned upon honesty or
71 faithful performance of duty and determine the amount, form, and
72 sufficiency of the sureties thereof;

73 (I) Regulate the method of borrowing money for any purpose for
74 which taxes may be levied and borrow on the faith and credit of the
75 municipality for such general or special purposes and to such extent as

76 is authorized by general statute;

77 (J) Provide for the temporary borrowing of money;

78 (K) Create a sinking fund or funds or a trust fund or funds or other
79 special funds, including funds which do not lapse at the end of the
80 municipal fiscal year;

81 (L) Provide for the assignment of municipal tax liens on real
82 property to the extent authorized by general statute.

83 Sec. 3. Subsection (b) of section 12-62a of the general statutes is
84 repealed and the following is substituted in lieu thereof (*Effective July*
85 *1, 2009, and applicable to assessment years commencing on or after October*
86 *1, 2009*):

87 (b) [Each] Except as provided in this subsection, each such
88 municipality shall assess all property for purposes of the local property
89 tax at a uniform rate of seventy per cent of present true and actual
90 value, as determined under section 12-63. Any municipality with a
91 population of more than eighty thousand, by ordinance adopted by its
92 legislative body, or, in any town in which the legislative body is a
93 town meeting, by the board of selectmen, may (1) classify real estate as
94 (A) land or land exclusive of buildings, or (B) buildings on land, and
95 (2) establish a different rate of property tax for each class, provided the
96 higher rate shall apply to land or land exclusive of buildings. As used
97 in this subsection, "real estate" does not include farm land, forest land
98 or open space land, as such terms are defined in section 12-107b. The
99 provisions of this subsection shall not be construed to authorize a
100 municipality to classify real property for purposes of the local property
101 tax based on the use of such property, except as may be provided in
102 the general statutes or any special act.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2009	New section
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Sec. 2	<i>July 1, 2009</i>	7-148(c)(2)
Sec. 3	<i>July 1, 2009, and applicable to assessment years commencing on or after October 1, 2009</i>	12-62a(b)

Statement of Purpose:

To allow municipalities the option of adopting ordinances to diversify revenue sources.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]